

**TRANSMITTAL AND NOTICE OF APPROVAL  
OF STATE PLAN MATERIAL  
FOR: HEALTH CARE FINANCING ADMINISTRATION**1. TRANSMITTAL NUMBER:  
03-002

2. STATE: CT

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE  
SOCIAL SECURITY ACT (MEDICAID)TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES4. PROPOSED EFFECTIVE DATE  
01-01-03

5. TYPE OF STATE PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:  
Sections 1902(a) of the Social Security Act

7. FEDERAL BUDGET IMPACT:

a. FFY 03 \$1,666,459

b. FFY 04 \$2,817,282

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19 B, page 2.

9. PAGE NUMBER OF THE SUPERSEDED PLAN  
SECTION OR ATTACHMENT (If applicable)

Attachment 4.19 B, page 2

10. SUBJECT OF AMENDMENT: To establish and implement a ceiling price for selected multi-source brand and generic drugs meeting specific criteria.  
Per Section 118 of Bill 6004 of the May 9, 2002 Special Legislative Session.

11. GOVERNOR'S REVIEW (Check One):

GOVERNOR'S OFFICE REPORTED NO COMMENT  
COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL☒ OTHER, AS SPECIFIED:

Comments, if any, to follow.

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME: Michael P. Starkowski

14. TITLE: Deputy Commissioner

15. DATE SUBMITTED:  
February 10, 2003

16. RETURN TO:

State of Connecticut  
Department of Social Services  
25 Sigourney Street  
Hartford, CT 06106-5033  
Attention: Donald Iodice**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED: February 13, 2003

18. DATE APPROVED: CT03-002B - May 14, 2003

**PLAN APPROVED - ONE COPY ATTACHED**19. EFFECTIVE DATE OF APPROVED MATERIAL:  
February 5, 2003

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

Richard McGreal

22. TITLE: Acting Associate Regional  
Administrator, DMCH

23. REMARKS:

This SPA was split. CT03-002A was disapproved on 5/12/03.  
CT03-002B was approved on 5/14/03.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
STATE CONNECTICUT

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Methods and Standards for Establishing Payment Rates - Other Types of Care

OFFICIAL

- (a) Prescribed Drugs
1. With the exception of (a).2 and (a) 3 below the cost of drugs is determined by the drug product allowance established by the HCFA Upper Payment Limits plus a reasonable professional Dispensing Fee; The State's estimated acquisition cost (E.A.C.) which is AWP - 12% plus a reasonable professional Dispensing Fee; or the usual and customary charge to the general public, whichever is lower.
  2. **The maximum allowable cost paid for selected multi-source brand and generic drugs meeting the following criteria shall be the Average Wholesale Price (AWP) minus 40% plus a reasonable professional Dispensing Fee:**
    - at least three suppliers of the generic product are available,
    - drug is not on the Federal Upper Limit (FUL) list or the Department of Justice (DOJ) list, and
    - oral dosage form (including tablets, capsules and liquids).
  3. The maximum allowable cost paid for Factor VIII (Factorate, Antihemophilic Factor, AHF) pharmaceuticals shall be the Actual Acquisition Cost (AAC) plus eight per cent.
- (b) Prosthetic devices - Negotiated fixed fee schedule.
- (c) Eyeglasses -- Negotiated fixed fee schedule when provided by the optician or the actual wholesale cost when provided by the optometrist.
- (d) Hearing aid -The price allowed shall be the cost of the hearing aid to the provider, not to exceed \$ 160.00.
- (13) Other diagnostic, screening, preventive and rehabilitative services.
- (a) Durable Medical Equipment - Fixed negotiated fee schedules.
- (b) Rehabilitation Services
- (1) School Based Child Health Services -- Bundled Rate. Rates for rehabilitation services provided in accordance with an Individual Education Program (IEP) through the State Department of Education by or on behalf of Local Educational Agencies (LEAs) will be based upon annual audited cost and audited utilization filings made by LEAs. School Based Child Health (e.g. Special Education), rates for evaluation (including triennial reevaluations) will be on a cost per child per year basis by type of placement (in-district and out-of-district). Rates